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C O N F I D E N T I A L SECTION 01 OF 04 TOKYO 005073

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E.O. 12958: DECL: 10/25/2017
TAGS: [PREL](#) [PGOV](#) [JA](#) [CH](#)
SUBJECT: DAS CHRISTENSEN, DIET MEMBERS DISCUSS
U.S.-JAPAN-CHINA TIES

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Classified By: Ambassador J. Thomas Schieffer, reasons 1.4(b),(d).

11. (C) Summary. Prospects for improved Japan-China ties under new Prime Minister Fukuda, the role of Japan against the backdrop of growing U.S-China cooperation, and contentious issues in Japan-China relations were the focus of EAP DAS Tom Christensen's discussions with senior lawmakers from Japan's main ruling and opposition parties October 22 and 23. Christensen met with ruling LDP General Affairs Council Chair Toshihiro Nikai, former LDP Secretary General Koichi Kato, and former leader of the main opposition DPJ Katsuya Okada. The three maintain regular contacts with China's and Taiwan's leaders, and are regarded as among the most senior China experts in the Diet. All three described a general improvement in ties between Japan and China, although they cited areas of continuing concern. On balance, they view the United States as continuing to play an extremely important role in the region. End summary.

U.S.-Japan-China Ties on a (Mostly) Upward Arc

12. (C) China's appointment of Wang Yi to serve as Ambassador to Japan from 2004 to 2007 was an important sign that China wanted to improve relations with Japan, ruling Liberal Democratic Party (LDP) General Affairs Council Chair Toshihiro Nikai told EAP Deputy Assistant Secretary of State Tom Christensen on October 22. Nikai, who visits China frequently and is one of the LDP's top China hands, noted that when Prime Minister Fukuda served as former Prime Minister Koizumi's Chief Cabinet Secretary, China was given a certain amount of "consideration." Once Fukuda left, however, Koizumi's "right wing tendencies" stood out, and efforts to improve bilateral ties were "set aside." Former PM Abe made some improvements, but now that Fukuda is Prime Minister, "Japan and China can transform their relationship."

13. (C) The attitude of the PM toward China is very different than his predecessor, former LDP Secretary General Koichi Kato noted in a meeting the same day. Abe "paid lip service" to improving relations with China, but his real thinking was somewhat different. China knew that Abe did not really like China," Kato asserted. China is much more favorably disposed

to Fukuda, and the two neighbors are "off to a good start" in their relations. Both China and the United States have also done a good job of "respecting" Fukuda in his first six weeks in office, he added.

¶4. (C) Former leader of the main opposition Democratic Party of Japan (DPJ) Katsuya Okada described U.S.-Japan-China relations as "very complex," and expressed concern that Japan could grow "more distant" as the United States and China grow closer. He said he had once told the Singaporean Prime Minister that in the event of an incident in the Taiwan Strait, China and the United States could probably repair their relationship in ten years. If Japan were involved, however, "it could easily take 100 years." On the security front, he admitted, Japan cannot disregard the threat posed by China, and its U.S. alliance is "unshakable." Sometimes, however, U.S.-Japan security relations become so close that Japan has "a hard time breathing." Outside of the security realm, the United States and Japan share an interest in helping to draw China further into the international community. Japan also has its own interests to consider, Okada noted. He cited the recent change in U.S. policy toward the DPRK as evidence that the two alliance partners do not always share the same interests.

¶5. (C) DAS Christensen made clear to his interlocutors that there are two common misconceptions about U.S. attitudes towards Japan's relations with China. The first is that we need tensions between Japan and China in order to have a strong U.S.-Japan relationship. The second is that an improvement in U.S.-PRC relations will come at the expense of U.S.-Japan relations. Our goal is not to contain China, but rather to shape its choices. The U.S.-Japan alliance provides a foundation for the strategy of shaping China's choices, and also provides a foundation for fostering of greater U.S.-China cooperation. By the same token, he said,

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the United States has no concern that closer Japan-China relations will weaken the bilateral alliance with Japan.

Many Areas for Cooperation...

¶6. (C) In general, the United States and Japan should cooperate in addressing China issues, Nikai said, whether in official terms or at the "private level." The history issue may be one in which the three countries could have discussions. Another area for trilateral cooperation is the creation of an Asian version of the OECD, in which Japan would initially play a large financial role, Nikai said. Energy conservation and environmental protection are two other areas in which Japan and China can cooperate, Nikai continued. In particular, China's environmental problems also affect its neighbors, and China cannot by itself handle this matter. During a meeting with Wen Jiabao, Nikai urged China to improve its environmental policies, and Wen agreed, Nikai said. Although the United States and Japan have different political systems from China, we should nonetheless not "make an enemy of the PRC," but rather show a "more generous attitude" and cooperate with China in areas that we can. Protecting intellectual property rights is another area in which Japan and China can cooperate, and the United States can partner with Japan to address this important issue, Nikai said. Energy and the environment are important issues in which the United States, Japan, and China share interests, Christensen agreed, and China's creation of the five-party energy ministerial conference is a significant sign that they take these matters seriously and understand the common interests shared by all net consumers of energy.

¶7. (C) The Six-Party Talks are probably the most important area for Japan-China cooperation at this point, Kato observed, and they are working well together, despite Japan's "stubbornness" on abductions. China views Japan's attitude toward the DPRK abductions issue as overly emotional and

unrealistic. Kato raised the example of the remains returned to Japan by the DPRK, noting that while China believes that the remains belong to abductee Megumi Yokota, Japan does not.

Many Japanese believe Megumi Yokota is still alive, he asserted, and some even maintain that she is being held as a mistress to Kim Jong-Il. To bolster its case, Japan points to the forensic analysis of the remains, which some argue was "inconclusive." Kato disputed this assertion, however, noting that the person who performed the analysis had never said definitively that the remains did not belong to Megumi Yokota. He had said only that he had found DNA other than hers, had cited the general difficulty of determining identity from cremated remains. Under the circumstances, Kato said, DPRK anger toward Japan could be seen as "not unreasonable." The Six-Party Talks offer another opportunity for reconciliation between historical foes, Christensen offered, and the United States is hopeful that Japan and the DPRK can resolve some of their historical differences through the Six Party Talk process.

...But Problems Remain

18. (C) One particular problem with China, Kato continued, is its sharp increase in defense spending. He said he found PRC explanations "unconvincing. He was particularly suspicious of a recent statement by Chinese Politburo member Li Chang-chun linking the issue of China's transparency entirely to the Taiwan issue. The East China Sea territorial dispute has also been an issue since normalization 35 years ago, and Nikai said that PM Fukuda should "make efforts" to resolve this. Regardless of how he goes about this, U.S.-Japan cooperation will be a key factor in Japan's ability to approach China on these issues with confidence.

19. (C) China has moved far from communism, Kato observed, as evidenced by rampant corruption, a growing gap between rich and poor, and the ability of officials to run roughshod over the people. In that sense, he said, China is in need of a "new communist revolution" to overcome the "serious disorder" in society. He pointed out that China had chosen to liberalize its economy first, while Russia had been smart to

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put political change ahead of economic liberalization. China is now reaping the results of that "mistaken policy" and needs to find a way to restore order and regain control over society. It is difficult to balance reform and the desires of the people, he recognized, but it will also be difficult for people to "control themselves" as they experience ever greater prosperity. Christensen posited that the current political structure is too "simple" to manage the complex economic structure that has emerged in reformist China. However, rather than reconsolidating CCP power, China should open up its political system in order to foster stability over the long run, Christensen argued.

110. (C) Christensen echoed Kato's concerns on transparency and cited China's unwillingness to engage on the recent ASAT test as another issue of concern. He listed the Taiwan Strait, Iran, Sudan, Burma, trade, human rights/religious freedom, intellectual property rights, and the environment as other contentious issues between the United States and China. China had recently been much more helpful on Sudan, somewhat more helpful than before on Iran, but not really helpful at all on Iran. On Burma, Christensen noted, ASEAN may have served as an impetus for China to push the regime to let UN Special Envoy Ibrahim Gambari visit. China does not like to be too far from ASEAN on such regional issues. Christensen said he was somewhat encouraged by the fact that China has said some of the right things about Burma, such as calling for reconciliation between the government and the opposition, something that would not have been possible ten years ago. China is moved primarily by concerns over stability, but is also worried about drug flows on their southern border. Emphasizing China's massive influence in Northern Burma, Kato

recounted a trip to the border area with Khin Nyunt, where all of the residents spoke in Mandarin Chinese and all of the signs were written in Chinese characters. He laughed that he had been called on to translate from Chinese to English by his Burmese government hosts.

¶11. (C) Kato was also interested in U.S. views on the Shanghai Cooperation Organization (SCO). DAS Christensen assured Kato that the United States pays attention to the activities of the SCO, but is not overly concerned, although China may think otherwise. For the United States, it is important that the SCO countries seem to have dropped the demand contained in their 2005 declaration in Astana that all non-members should remove forces from the region. In response to Kato's concern over large-scale joint exercises, Christensen noted that the SCO is not a military alliance, and that those exercises were part of the counter-terrorism component that served as a basis for the partnership. Kato also expressed interest in the issue of F-22 sales to Japan, noting that the Ministry of Defense continues to think the sale is possible, despite the Obey Amendment, but that China and Korea would undoubtedly have a negative response.

Taiwan Strait: Maintain the Status Quo

¶12. (C) Maintaining the status quo is the best approach for managing the situation in the Taiwan Strait, Kato said, but the ongoing electoral campaign has forced candidates to offer other formulations. Chen Shui-bian is "not a mature political leader," he asserted, and predicted that Ma Ying-jeou would be a better leader as the next President. DAS Christensen emphasized the importance of Japan's expressing publicly its opposition to Chen's proposed referendum. Japan's private statements would have little effect on Chen, he conceded, but a public statement might possibly have some influence Taiwan's people. Christensen encouraged Japan's Diet members to continue to build and maintain strong contacts with Taiwan's leaders, even if such contacts were inappropriate at the government-to-government level. In conversations with Nikai, Christensen also encouraged Japan to state publicly that Chen's provocative statements and actions are not viewed as constructive. Nikai agreed, noting the time is limited now to discuss the issue without causing any misunderstanding. Japan's favoring Taiwan too much is not good for Taiwan, he added. He urged the United States to keep in mind that some people of influence in Taiwan are in contact with the Chinese

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government. When thinking about Taiwan and China, he urged, it is important to not think about them separately. "After all," he said, "China and Taiwan share the same roots."

¶13. (C) The DPJ's Okada echoed Kato's assertion that the only way to manage Cross-Strait relations right now is to maintain the status quo. Okada mentioned that he had met with President Chen in Taiwan in 2006, and told him not to believe Japanese politicians who say that Japan will come to the defense of Taiwan if it is attacked by the mainland. They would never say that in Japan, he told Chen, and Japan "would never come to Taiwan's defense." Okada appreciated the public message that the United States is sending to Taiwan on this issue, and thought Japan should do the same. He was glad that the United States serves "in some ways as a restraint on Japan's pro-Taiwan Diet members." It is important to ensure that Taiwan's nationalism does not become extreme. He agreed that it is important for the United States and Japan to work together closely to manage cross-strait relations in a time of some instability, and to ensure that China has a "soft landing."

¶14. (C) DAS Christensen noted to Okada that we need to take Taiwan's defensive security needs very seriously, even as we discourage provocative behavior by Taiwan leaders. The United States supports Taiwan's security and its efforts to

play a larger role in international fora, but is concerned about Chen Shui-bian's efforts to hold a referendum on applying to join the UN under the name Taiwan. It is important for the United States and Japan to work closely to ensure stability across the Taiwan Strait both in terms of deterring mainland coercion and restraining Taiwan. This mission is very important because it will help determine the future of China. If cross-strait relations are handled well, he told Okada, it will have a positive impact on how China emerges. If things go poorly, it could prove disastrous for China's long-term political development. Things could go wrong, if: either side is overly provocative; China tries to bully Taiwan, especially if that bullying is successful; or Taiwan gratuitously provokes Chinese nationalism by moving toward legal independence, he added.

¶15. (U) DAS Christensen has cleared this message.
SCHIEFFER